

Decision \_\_\_\_\_

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of UniVoIP, Inc. (U1350C) for a  
Certificate of Public Convenience and  
Necessity to Provide Local Exchange  
Switchless Resale Telecommunications  
Services throughout the State of California.

Application 16-01-010  
(Filed January 15, 2016)

**DECISION GRANTING UNIVOIP, INCORPORATED A CERTIFICATE OF  
PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE RESOLD LOCAL  
EXCHANGE TELECOMMUNICATIONS SERVICES IN CALIFORNIA****Summary**

Pursuant to Public Utilities Code Section 1001, we grant UniVoIP, Inc. (UniVoIP) a Certificate of Public Convenience and Necessity (CPCN) to provide resold local exchange telecommunications services subject to the terms and conditions set forth in the Ordering Paragraphs.

**1. Background**

On January 15, 2016, UniVoIP, Inc. (UniVoIP) a California corporation, filed Application (A.) 16-01-010 (Application) with the California Public Utilities Commission (Commission) for a Certificate of Public Convenience and Necessity (CPCN) in order to provide resold local exchange telecommunications services in the service territories of Pacific Bell Telephone Company d/b/a AT&T California

(AT&T), Frontier California Inc. (Frontier California),<sup>1</sup> Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated).<sup>2</sup> On April 7, 2016, the assigned Administrative Law Judge (ALJ) issued a ruling directing UniVoIP to provide additional information in support of its application. On April 25, 2016, UniVoIP responded and provided the requested information.

UniVoIP is currently registered by the Commission to provide Voice over Internet Protocol (VoIP) telecommunications service, and was issued a corporate identification number U-1350-C by the Commission on April 13, 2015.<sup>3</sup> Therefore, UniVoIP filed this application in order to obtain the Commission's authorization to expand its operation as a telecommunications service provider in California, by adding resold local exchange telecommunications services to its current authorization. UniVoIP's principal place of business is located at 830 Parkview Drive, El Segundo, CA 90245.

## **2. Jurisdiction**

Public Utilities Code Section (Pub. Util. Code §) 216(a) defines the term "Public utility" to include a "telephone corporation," which in turn is defined in

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<sup>1</sup> Frontier California was formerly Verizon California, Inc. (Verizon). As of April 1, 2016, Verizon's operations in California were acquired and are now operated by Frontier California, Inc., pursuant to Decision (D.) 15-12-005.

<sup>2</sup> Formerly known as SureWest Telephone - SureWest Telephone was acquired by Consolidated Communications Inc. in 2012, pursuant to D.12-06-004, and SureWest Telephone changed its name to Consolidated Communications of California Company as of January 1, 2016.

<sup>3</sup> No issue has been raised by any branch or division of the Commission regarding UniVoIP's VoIP registration, or its ability to comply with Commission's laws, rules, orders or directives.

Pub. Util. Code § 234(a) as “every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state.”

UniVoIP proposes to provide competitive local exchange telecommunications service to customers in California by interconnecting with existing providers via switchless local exchange protocols. Accordingly, UniVoIP is a telephone corporation and a public utility subject to the Commission’s jurisdiction.

UniVoIP provided certification that it is a Common Carrier as defined by Section 153 of the Federal Telecommunications Act of 1996 (Act) eligible to interconnect with the public switched telephone network pursuant to Sections 251 and 252 of the Act, and that if granted a CPCN, it will operate as a telephone corporation under Pub. Util. Code § 234(a), and obey the Code and all Commission rules, decisions, and orders applicable to telephone corporations.

### **3. California Environmental Quality Act (CEQA)**

The CEQA requires the Commission act as the designated lead agency to assess the potential environmental impact of a project in order that adverse effects are avoided, alternatives are investigated, and environmental quality is restored or enhanced to the fullest extent possible. Since UniVoIP only seeks authority to provide non-facilities-based local exchange telecommunications service through the resale of other carriers’ services and UniVoIP does not intend to construct any facilities, it can be seen with certainty that there is no possibility that granting this application will have an adverse impact upon the environment. Before it can construct facilities other than equipment to be installed in existing buildings or structures, UniVoIP must file for additional authority, and submit to any necessary CEQA review.

### **4. Financial Qualifications**

To be granted a CPCN, an applicant for authority to provide resold local exchange and/or interexchange services must demonstrate that it has a minimum of \$25,000 cash or cash equivalent to meet the firm's start-up expenses.<sup>4</sup> An applicant for a CPCN may demonstrate that it meets the minimum financial requirement by submitting an audited balance sheet and income statement demonstrating sufficient cash flow, as authorized in D.14-11-004, D.91-10-041 and D.95-12-056 (Appendix C). Such applicant must also demonstrate that it has sufficient additional resources to cover all deposits that may be required by local exchange carriers and/or interexchange carriers in order to provide the proposed service.<sup>5</sup>

In addition, an applicant such as UniVoIP must post a performance bond in order to obtain authority to provide telecommunications services, and to secure the payment of any monetary sanction (*i.e.*, fines, penalties, restitution) that may be imposed should an enforcement proceeding be brought against it by the Commission. The performance bond amount is \$25,000 for new registrants who have not previously reported intrastate earnings. The performance bond must be executed within five days of written acceptance of CPCN authority and thereafter must remain in effect during all periods of operation.<sup>6</sup>

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<sup>4</sup> The financial requirement for Competitive Local Exchange Carriers (CLEC) is contained in D.14-11-004; and D.95-12-056, Appendix C. The financial requirement for Non-Dominant Interexchange Carriers (NDIEC) is contained in D.91-10-041.

<sup>5</sup> The requirement for Competitive Local Carrier (CLC) applicants to demonstrate that they have additional financial resources to meet any deposits required by underlying Local Exchange Carriers (LEC) and/or IECs is set forth in D.95-12-056, Appendix C. For NDIECs, the requirement is found in D.93-05-010.

<sup>6</sup> Decision (D.) 13-05-035.

UniVoIP proposes that, in lieu of providing an audited financial statement to demonstrate that it meets minimum financial requirements, it will secure, execute and post a performance bond in the amount of \$100,000 payable to the Commission, immediately upon its written acceptance of CPCN authority. The \$100,000 bond would remain in effect for a period of 12 full months, then would be reduced to \$25,000 and remain in effect throughout the duration of UniVoIP's operation within the State of California.

In D.14-04-012, the Commission found the above arrangement to be acceptable, and here also, we find that UniVoIP's proposal to post and keep a performance bond of \$100,000 in effect during its first year of operation, and thereafter keep a bond of \$25,000 in effect throughout the duration of its operation in California, is adequate to satisfy the financial requirements for issuance of a CPCN as an CLC.

Finally, in its April 25, 2016 response to the ALJ, UniVoIP indicated that it does not anticipate being required to provide any deposits to incumbent local exchange carriers. Accordingly, UniVoIP demonstrated that it has sufficient funds available to meet its start-up expenses and has fulfilled this requirement.

## **5. Technical Qualifications**

To be granted a CPCN for authority to provide local exchange and interexchange services, an applicant must make a reasonable showing of managerial and technical expertise in telecommunications or a related business.<sup>7</sup> UniVoIP supplied biographical information on its management in Exhibit F to its

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<sup>7</sup> D.95-12-056 at Appendix C, Rule 4.A.

application that demonstrated that it has sufficient expertise and training to operate as a telecommunications provider.

In its application, UniVoIP verified that no one associated with or employed by UniVoIP as an affiliate, officer, director, partner, or owner of more than ten percent of UniVoIP: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 *et seq.*, 17200 *et seq.*, or 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order. For the above reasons, we find that UniVoIP is in compliance with the requirements of D.95-12-056.

## **6. Tariffs**

Commission staff reviewed UniVoIP's draft tariffs for compliance with Commission rules and regulations. The deficiencies are noted in Attachment A to this decision. In its compliance tariff filing, UniVoIP shall correct these deficiencies as a condition of our approval of its application.

## **7. Map of Service Territory**

To be granted a CPCN for authority to provide competitive local exchange service, an applicant must provide a map of the service territories it proposes to serve.<sup>8</sup> UniVoIP provided a map of the location of its proposed service territory, in compliance with this requirement. By this decision, UniVoIP is authorized to provide resold local exchange telecommunications services in the service territories of AT&T, Frontier California, Frontier Communications, and Consolidated.

## **8. Expected Customer Base**

UniVoIP provided its estimated customer base for the first and fifth years of operation in Exhibit I of its application. Therefore, UniVoIP has complied with this requirement.

## **9. Request for Treatment as a Non-dominant Carrier**

UniVoIP requests treatment as a non-dominant carrier, which would include exemption from the requirements of Pub. Util. Code §§ 816-830 concerning stocks and security and § 851 concerning the encumbrance and transfer of utility property. The Commission detailed its rules regarding exemption of non-dominant carriers in D.85-01-008, and subsequently modified in D.85-07-081 and D.85-11-044. We grant Applicant's request for

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<sup>8</sup> D.95-12-056 at Appendix C, Rule 4.E.

non-dominant carrier status, provided that they follow all rules detailed in the above referenced decisions.<sup>9</sup>

## **10. Safety Considerations**

With the adoption of the *Safety Policy Statement of the California Public Utilities Commission* on July 10, 2014, the Commission has, among other things, heightened its focus on the potential safety implications of every proceeding. We have considered the potential safety implications here. We feel satisfied that UniVoIP will meet the Commission's minimum safety goals and expectations of CLEC's because: (1) UniVoIP has taken steps to meet the financial requirements as set forth in this decision for a facilities-based CLEC, and (2) UniVoIP is a public utility that is required pursuant to Pub. Util. Code § 451 to "... furnish and maintain such adequate, efficient, just and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities ... as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

## **11. Conclusion**

We conclude that the application conforms to our rules for certification as a competitive local exchange and interexchange carrier. Accordingly, we grant UniVoIP a CPCN to provide resold local exchange telecommunications service in the service territory of AT&T, Frontier California, Frontier Communications, and Consolidated subject to compliance with the terms and conditions set forth in the Ordering Paragraphs.

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<sup>9</sup> While the Commission has granted exemption from §§ 816 – 830 to others, exemption from §§ 851 – 854 has not been granted previously and is not granted here.



The CPCN granted by this decision provides benefits to UniVoIP and corresponding obligations. UniVoIP receives authority to operate in the prescribed service territory, it can request interconnection with other telecommunications carriers in accordance with Section 251 of the Federal Communications Act (47 U.S.C. 251), and it receives access to public rights of way in California as set forth in D.98-10-058 subject to the CEQA requirements set forth in this decision. In return, UniVoIP is obligated to comply with all applicable Public Utilities Codes and Commission Rules, General Orders (GO), and decisions applicable to telecommunications carriers providing approved services. The applicable Codes, Rules, etc. include, but are not limited to consumer protection rules, tariffing, and reporting requirements. Moreover, UniVoIP is obligated to pay all Commission prescribed user fees and public purpose program surcharges as set forth in the Appendix B of this decision, to comply with CEQA, and to adhere to Pub. Util. Code § 451 which states that every public utility "... shall furnish and maintain such adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, including telephone facilities, as defined in Section 54.1 of the Civil Code, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

**12. Request to File Under Seal (Include only if requested by applicant)**

Pursuant to Rule 11.4 of the Commission's Rules of Practice and Procedure, UniVoIP has filed motion for leave to file under seal Exhibit A to its April 25, 2016 response to the ALJ, as "highly confidential" materials.

Because the information contained in Exhibit A (dates of birth and social security numbers of UniVoIP's owner, director and officer) are typically not filed with or retained by Commission, we find that it is prudent to destroy the

information contained in Exhibit A after use, rather than maintain it with the Commission under seal. Accordingly, we deny UniVoIP's request to place Exhibit A under seal. Instead, Exhibit A will be destroyed as soon as the ALJ completes his evaluation of UniVoIP's application for a CPCN.

### **13. Categorization and Need for Hearings**

In Resolution ALJ 176-3372, dated February 11, 2016, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received in this proceeding, and no reason exists why the application should not be granted. Accordingly, a public hearing is not necessary, and it is not necessary to disturb the preliminary determinations.

### **14. Comments on Draft Decision (Select the more appropriate paragraph.)**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2), the otherwise applicable 30-day period for public review and comment is waived.

### **15. Assignment of Proceeding**

Liane M. Randolph is the assigned Commissioner and Adeniyi A. Ayoade is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. Notice of the application appeared on the Daily Calendar on January 28, 2016. No protests have been filed. A hearing is not required.
2. UniVoIP is a telephone corporation and a public utility as defined in Pub. Util. Code §§ 234(a) and 216(a).

3. The Commission is the Lead Agency for this project under CEQA. UniVoIP's authority to provide local exchange services will not have a significant adverse effect upon the environment.
4. UniVoIP has a minimum of \$25,000 cash or cash equivalent that is reasonably liquid and readily available to meet its start-up expenses.
5. UniVoIP has sufficient additional cash or cash equivalent to cover deposits that may be required by other telecommunications carriers in order to provide the proposed service.
6. UniVoIP's management possesses sufficient experience, knowledge, and technical expertise to provide local exchange services to the public.
7. No one associated with or employed by UniVoIP as an affiliate, officer, director, partner, agent, or owner of more than ten percent of UniVoIP: (a) held one of these positions with a company that filed for bankruptcy; (b) been personally found liable, or held one of these positions with a company that has been found liable, for fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (c) been convicted of a felony; (d) been the subject of a criminal referral by judge or public agency; (e) had a telecommunications license or operating authority denied, suspended, revoked, or limited in any jurisdiction; (f) personally entered into a settlement, or held one of these positions with a company that has entered into settlement of criminal or civil claims involving violations of sections 17000 *et seq.*, 17200 *et seq.*, or 17500 *et seq.* of the California Business & Professions Code, or of any other statute, regulation, or decisional law relating to fraud, dishonesty, failure to disclose, or misrepresentations to consumers or others; (g) been found to have violated any statute, law, or rule pertaining to public utilities or other regulated industries; (h) entered into any settlement agreements or made any voluntary payments or

agreed to any other type of monetary forfeitures in resolution of any action by any regulatory body, agency, or attorney general; or (i) is being, or has been investigated by the Federal Communications Commission or any law enforcement or regulatory agency for failure to comply with any law, rule or order.

8. Except for the deficiencies identified in Attachment A to this decision, UniVoIP's draft tariffs comply with the Commission's requirements.

9. UniVoIP provided a map of the location of its proposed service territory.

10. UniVoIP provided an estimate of its customer base for the first and fifth year of operation.

11. UniVoIP submitted "Exhibit A" to its April 25, 2016 response to the ALJ and included a motion for leave to file under seal Exhibit A as confidential materials. The request is denied, and instead Exhibit A will be destroyed and not retained by the Commission.

### **Conclusions of Law**

1. UniVoIP should be granted a CPCN to provide resold local exchange telecommunications service in the service territories of AT&T, Frontier California, Frontier Communications, and Consolidated subject to the terms and conditions set forth in the Ordering Paragraphs.

2. UniVoIP, once granted a CPCN, should be subject to the applicable Commission rules, decisions, GOs, and statutes that pertain to California public utilities.

3. UniVoIP shall correct the tariff deficiencies shown in Attachment A to this decision.

4. UniVoIP's motion to file under seal Exhibit A (provided with its April 25, 2016 response to the ALJ) should be denied. Instead, Exhibit A will be destroyed by the ALJ after use and will not be retained by the Commission.

5. UniVoIP should be granted non-dominant carrier status, subject to Commission rules and regulations as detailed in D.85-01-008 and modified in D.85-07-081 and D.85-11-044.

## **O R D E R**

### **IT IS ORDERED** that:

1. A Certificate of Public Convenience and Necessity is granted to UniVoIP, Inc. to provide resold local exchange telecommunications services in the territories of Pacific Bell Telephone Company d/b/a AT&T California (AT&T), Frontier California Inc. (Frontier California), Citizens Telecommunications Company of California, Inc. d/b/a Frontier Communications of California (Frontier Communications), and Consolidated Communications of California Company (Consolidated) subject to the terms and conditions set forth below.

2. UniVoIP, Inc. is authorized to file tariff schedules for the provision of competitive local exchange services with the deficiencies noted in Attachment A corrected. Applicant may not offer services until its tariffs are on file. Applicant's initial filing shall be made in accordance with General Order 96-B, and as corrected for deficiencies set forth in Exhibit A. The tariffs shall be effective not less than one day after tariff approval by the Commission's Communications Division. Applicant shall comply with its tariffs.

3. The corporate identification number assigned to UniVoIP, Inc. (U-7304-C), must be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

4. The certificate granted by this order will expire if not exercised within 12 months of the effective date of this order.

5. As requested in its application, UniVoIP, Inc. (UniVoIP) must obtain a performance bond of at least \$100,000 for its first year of operation, and may reduce the amount of the performance bond to \$25,000 after the first year in accordance with Decision 13-05-035. The performance bond must be a continuous bond (*i.e.*, there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, UniVoIP must submit a Tier 1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier 1 advice letter annually, but not later than March 31, with a copy of the executed bond.

6. UniVoIP, Inc. must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Director of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

7. In addition to all the requirements applicable to competitive local exchange carriers included in Attachments B, C, and D to this decision, UniVoIP, Inc. is subject to the Consumer Protection Rules contained in General Order 168, and all

applicable Commission rules, decisions, General Orders, and statutes that pertain to California public utilities.

8. UniVoIP, Inc. must file, in this docket, a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

9. UniVoIP, Inc. must annually pay public purpose surcharges specified in Attachment B. Per the instructions in Exhibit E to Decision 00-10-028, the Combined California Public Utilities Commission Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

10. UniVoIP, Inc. must annually pay the user fee specified in Attachment B. Applicant must pay a minimum user fee of \$100 or 0.23% of gross intrastate revenue, whichever is greater. Under Public Utilities Code Section 405, carriers that are in default of reporting and submitting user fees for a period of 30 days or more will be subject to penalties including suspension or revocation of their authority to operate in California.

11. Prior to initiating service, UniVoIP, Inc. must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. This information must be updated if the name or telephone number changes, or at least annually.

12. Prior to initiating service, UniVoIP, Inc. must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at: <http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

13. UniVoIP, Inc. must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

14. UniVoIP, Inc. must file an affiliate transaction report with the Director of the Communications Division, in compliance with Decision 93-02-019, on a calendar-year basis using the form contained in Attachment D.

15. UniVoIP, Inc. must file an annual report with the Director of the Communications Division, in compliance with General Order 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

16. UniVoIP, Inc. must file a tariff within 12 months of the effective date of this order, or its certificate will be cancelled.

17. UniVoIP, Inc.'s motion to file under seal its Exhibit A to its April 25, 2016 response to the Administrative Law Judge is denied and Exhibit A will be destroyed and not retained by the Commission.

18. Application 16-01-010 is closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.



**ATTACHMENT A**

List of deficiencies in tariff filed by UniVoIP, Inc in A.16-01-010 (U-7304-C) to be corrected in its tariff compliance filing.

1. The Company's proposed tariff cover sheet must reflect the Utility ID U-7304-C (G.O. 96B, 8.4.1)
2. CPUC assigned Utility ID U-7304-C should be included on each sheet in the upper left header along with company name and address. (General Order 96B, Section 8.4.1)
3. Based on page 80 of the proposed tariff submitted by UniVoIP, it is not offering Universal Lifeline Telecommunications Service (ULTS) as residential service is not being provided. However, UniVoIP must offer ULTS if it provides residential service and must submit a revised tariff reflecting the residential service offering before it starts providing this service to the public.

**(END OF ATTACHMENT A)**

**ATTACHMENT B****REQUIREMENTS APPLICABLE TO COMPETITIVE LOCAL EXCHANGE CARRIERS AND INTEREXCHANGE CARRIERS**

1. Applicant must file, in this docket with reference to this decision number,<sup>10</sup> a written acceptance of the certificate granted in this proceeding within 30 days of the effective date of this order.

2. The certificate granted and the authority to render service under the rates, charges and rules authorized will expire if not exercised within 12 months of the date of this order.

3. Applicant is subject to the following fees and surcharges that must be regularly remitted. Per the instructions in Exhibit E to Decision (D.) 00-10-028, the Combined California PUC Telephone Surcharge Transmittal Form must be submitted even if the amount due is \$0.

- a. The Universal Lifeline Telephone Service Trust  
Administrative Committee Fund (Pub. Util. Code § 879);
- b. The California Relay Service and Communications Devices  
Fund (Pub. Util. Code § 2881; D.98-12-073);
- c. The California High Cost Fund-A (Pub. Util. Code § 739.3;  
D.96-10-066, at 3-4, App. B, Rule 1.C);
- d. The California High Cost Fund-B (D.96-10-066, at 191,  
App. B, Rule 6.F.; D.07-12-054);
- e. The California Advanced Services Fund (D.07-12-054);
- f. The California Teleconnect Fund (D.96-10-066, at 88,  
App. B, Rule 8.G).

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<sup>10</sup> Written acceptance filed in this docket does not reopen the proceeding.

- g. The User Fee provided in Pub. Util. Code §§ 431-435. The minimum annual User Fee is \$100, as set forth in D.13-05-035.

Note: These fees change periodically. In compliance with Resolution T-16901, December 2, 2004, Applicant must check the joint tariff for surcharges and fees filed by Pacific Bell Telephone Company (dba AT&T California) and apply the current surcharge and fee amounts in that joint tariff on end-user bills until further revised. Current and historical surcharge rates can be found at <http://www.cpuc.ca.gov/General.aspx?id=1124>.

- Carriers must report and remit CPUC telephone program surcharges online using the CPUC Telecommunications and User Fees Filing System (TUFFS). Information and instructions for online reporting and payment of surcharges are available at <http://www.cpuc.ca.gov/General.aspx?id=1010>. To request a user ID and password for TUFFS online filing and for questions, please e-mail [Telco\\_surcharges@cpuc.ca.gov](mailto:Telco_surcharges@cpuc.ca.gov).
- Carriers must file and pay the PUC User Fee (see above item 2g) upon receiving the User Fee statement sent by the Commission. Instructions for reporting and filing are available at <http://www.cpuc.ca.gov/General.aspx?id=1009>. Please call (415) 703-2470 for questions regarding User Fee reporting and payment.

4. Applicant is a competitive local exchange carrier (CLC), the effectiveness of its future tariffs is subject to the requirements of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

5. Applicant is a non-dominant interexchange carrier (NDIEC). The effectiveness of its future NDIEC tariffs is subject to the requirement of General Order 96-B and the Telecommunications Industry Rules (D.07-09-019).

6. Tariff filings must reflect all fees and surcharges to which Applicant is subject, as reflected in #3 above.

7. Applicant must file a service area map as part of its initial tariff.

8. Applicant must obtain a performance bond of at least \$25,000 in accordance with Decision 13-05-035. The performance bond must be a continuous bond (i.e., there is no termination date on the bond) issued by a corporate surety company authorized to transact surety business in California, and the Commission must be listed as the obligee on the bond. Within five days of acceptance of its certificate of public convenience and necessity authority, Applicant must submit a Tier-1 advice letter to the Director of Communications, containing a copy of the license holder's executed bond, and submit a Tier-1 advice letter annually, but not later than March 31, with a copy of the executed bond.

9. Applicant must not allow its performance bond to lapse during any period of its operation. Pursuant to Decision 13-05-035, the Commission may revoke a certificate of public convenience and necessity if a carrier is more than 120 days late in providing the Direction of the Communications Division a copy of its executed performance bond and the carrier has not been granted an extension of time by the Communications Division.

10. Prior to initiating service, Applicant must provide the Commission's Consumer Affairs Branch with the name and address of its designated contact person(s) for purposes of resolving consumer complaints. In addition, Applicant must provide the Commission's Communications Division with the name and address of its designated regulatory/official contact persons(s). This information must be provided electronically, using the "Regulatory/Official Contact Information Update Request" found at:

<http://www.cpuc.ca.gov/communications>. This information must be updated if the name or telephone number changes, or at least annually.

11. Applicant must notify the Director of the Communications Division in writing of the date that local exchange service is first rendered to the public, no later than five days after service first begins.

12. Applicant must keep its books and records in accordance with the Generally Accepted Accounting Principles.

13. In the event Applicant's books and records are required for inspection by the Commission or its staff, it must either produce such records at the Commission's offices or reimburse the Commission for the reasonable costs incurred in having Commission staff travel to its office.

14. Applicant must file an annual report with the Director of the Communications Division, in compliance with GO 104-A, on a calendar-year basis with the information contained in Attachment C to this decision.

15. Applicant must file an affiliate transaction report with the Director of the Communications Division, in compliance with D.93-02-019, on a calendar-year basis using the form contained in Attachment D.

16. Applicant must ensure that its employees comply with the provisions of Pub. Util. Code § 2889.5 regarding solicitation of customers.

17. Within 60 days of the effective date of this order, Applicant must comply with Pub. Util. Code § 708, Employee Identification Cards, and notify the Director of the Communications Division in writing of its compliance.

18. If Applicant is 90 days or more late in filing an annual report, or in remitting the surcharges and fee listed in #2 above, and has not received written permission from the Communications Division to file or remit late, the

Communications Division must prepare for Commission consideration a resolution that revokes Applicant's CPCN.

19. Applicant is exempt from Rule 3.1(b) of the Commission Rules of Practice and Procedure

20. Applicant is exempt from Pub. Util. Code §§ 816-830.

21. Applicant is exempt from the requirements of Pub. Util. Code § 851 for the transfer or encumbrance of property whenever such transfer or encumbrance serves to secure debt.

22. If Applicant decides to discontinue service or file for bankruptcy, it must immediately notify the Communications Division's Bankruptcy Coordinator.

23. Applicant must send a copy of this decision to concerned local permitting agencies no later than 30 days from the date of this order.

**(END OF ATTACHMENT B)**

**ATTACHMENT C****ANNUAL REPORT**

An original and a machine readable, copy using Microsoft Word or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

Failure to file this information on time may result in a penalty as provided for in Pub. Util. Code §§ 2107 and 2108.

Required information:

1. Exact legal name and U # of the reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (*e.g.*, corporation, partnership, sole proprietorship, etc.).

If incorporated, specify:

- a. Date of filing articles of incorporation with the Secretary of State.
  - b. State in which incorporated.
6. Number and date of the Commission decision granting the Certificate of Public Convenience and Necessity.
  7. Date operations were begun.
  8. Description of other business activities in which the utility is engaged.
  9. List of all affiliated companies and their relationship to the utility. State if affiliate is a:
    - a. Regulated public utility.
    - b. Publicly held corporation.

10. Balance sheet as of December 31st of the year for which information is submitted.
11. Income statement for California operations for the calendar year for which information is submitted.
12. Cash Flow statement as of December 31<sup>st</sup> of the calendar year for which information is submitted, for California operations only.

For answers to any questions concerning this report, call (415) 703-2883.

**(END OF ATTACHMENT C)**



**ATTACHMENT D****CALENDAR YEAR AFFILIATE TRANSACTION REPORT**

An original and a machine readable, copy using Microsoft Word and Excel, or compatible format must be filed with the California Public Utilities Commission, State Office Building, 505 Van Ness Avenue, Room 3107, San Francisco, CA 94102-3298, no later than May 1st of the year following the calendar year for which the annual report is submitted.

1. Each utility must list and provide the following information for each affiliated entity and regulated subsidiary that the utility had during the period covered by the Annual Affiliate Transaction Report.

- Form of organization (*e.g.*, corporation, partnership, joint venture, strategic alliance, etc.);
- Brief description of business activities engaged in;
- Relationship to the utility (*e.g.*, controlling corporation, subsidiary, regulated subsidiary, affiliate);
- Ownership of the utility (including type and percent ownership)
- Voting rights held by the utility and percent; and
- Corporate officers.

2. The utility must prepare and submit a corporate organization chart showing any and all corporate relationships between the utility and its affiliated entities and regulated subsidiaries in #1 above. The chart must have the controlling corporation (if any) at the top of the chart, the utility and any subsidiaries and/or affiliates of the controlling corporation in the middle levels of the chart, and all secondary subsidiaries and affiliates (*e.g.*, a subsidiary that in

turn is owned by another subsidiary and/or affiliate) in the lower levels. Any regulated subsidiary must be clearly noted.

3. For a utility that has individuals who are classified as “controlling corporations” of the competitive utility, the utility must only report under the requirements of #1 and #2 above any affiliated entity that either (a) is a public utility or (b) transacts any business with the utility filing the annual report excluding the provision of tariff services.

4. Each annual report must be signed by a corporate officer of the utility stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

5. Any required material that a utility is unable to provide must be reasonably described and the reasons the data cannot be obtained, as well as the efforts expended to obtain the information, must be set forth in the utility’s Annual Affiliate Transaction Report and verified in accordance with Section I-F of Decision 93-02-019.

6. Utilities that do not have affiliated entities must file, in lieu of the annual transaction report, an annual statement to the Commission stating that the utility had no affiliated entities during the report period. This statement must be signed by a corporate officer of the utility, stating under penalty of perjury under the laws of the State of California (CCP 2015.5) that the annual report is complete and accurate with no material omissions.

**(END OF ATTACHMENT D)**